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GOVERNMENT OF INDIA

MINISTRY OF DEFENCE

NOTIFICATION

New Delhi, the 1st April 1949

**No. 44/E.**—The Governor General is pleased to make the following rules regarding the creation and administration of a Provident Fund for the benefit of the Armed Forces Personnel (other than officers, Warrant Officers of the I.N., and civilians).

**THE ARMED FORCES PERSONNEL PROVIDENT FUND.**

**1. Short title and definitions.**—(i) These rules may be called the Armed Forces Personnel Provident Fund Rules, 1949.

(ii) They shall come into force on the 1st April, 1949.

**2. In these Rules—**

(i) "Accounts Officer" means the Deputy Assistant Military Accountant General, Hollerith Section, Meerut.

(ii) "Emoluments" include basic pay (including deferred pay) plus:—

(a) *In the case of R.I.N.*—

Good Conduct Pay.

Higher Part II Qualification Pay.

(b) *In the case of Army*—

Rank/Appointment Pay.

Increments of pay for Man's service.

Good Service Pay.

(c) *In the case of R.I.A.F.*—

Badge Pay.

(iii) "Family" means the wife or wives and children of a subscriber, and the widow, or widows, and children of a deceased son of the subscriber. An adoptive child shall be considered to be a child when the Accounts Officer, or, if any doubt arises in the mind of the Accounts Officer, the Legal Remembrancer or the Chief Legal Adviser of the Government of the Province or the acceding State where the subscriber is ordinarily residing, is satisfied that, under the personal law of the subscriber adoption is legally recognised as conferring the status of a natural child, but in this case only.

- (iv) "Fund" means the Armed Forces Personnel Provident Fund.  
 (v) "Year" means a financial year.  
 (vi) Any other expression used in these Rules which is defined in the Provident Fund Act (XIX) of 1925 is used in the sense therein defined.

**3. Subscribers.**—(i) The Fund shall be administered by the Governor General and shall be maintained in India in rupees.

(ii) It shall be open to all personnel (other than officers, Warrant Officers of the R.I.N. and civilians) of the regular Indian Armed Forces.

(iii) Subscription is optional.

(iv) An individual who exercises the option allowed by Clause (iii) may discontinue subscribing to the Fund at any time, but his right to renew subscription shall lapse if he discontinues subscribing, except under the circumstances mentioned below, more than three times:—

- (a) when on leave,  
 (b) when declared as missing,  
 (c) when undergoing a term of imprisonment following conviction, and  
 (d) when pay and allowances are stopped under the regulations.

(v) These Rules apply to personnel of the regular Indian Armed Forces in civil employ in the same manner and on the same terms and conditions as they apply to personnel employed in the Army, Navy or the Air Force.

**4. Subscriptions.**—(i) An account shall be maintained in the name and Official/Regimental/Service Number of each subscriber and shall show the amount of his subscriptions with interest thereon calculated as in Rule 6.

(ii) Each subscriber shall subscribe to the Fund in accordance with his substantive rank but not less than the amounts stated below:—

	Rs. per mensem.
Hony. Captain . . . . .	30
Hony. Lieutenant . . . . .	25
Risaldar Major/Subedar Major . . . . .	16
Master Warrant Officer (RIAF) . . . . .	16
Risaldar/Subedar . . . . .	8
Warrant Officer Cl. I (Army) . . . . .	
Warrant Officer (RIAF) . . . . .	10
Jemadar . . . . .	6
Warrant Officer Cl. II (Army) . . . . .	
Chief Petty Officer . . . . .	8
Flight Sergeant . . . . .	
Petty Officers . . . . .	6
Sergeant . . . . .	
Dafadar/Havildar . . . . .	4
L. S. . . . .	4
Corporal . . . . .	
Lance Dafadar/Lance Havildar . . . . .	3
Naik . . . . .	2
Lance Naik . . . . .	
A.B./O.D. . . . .	
L.A.C. and below . . . . .	
Sowar/Sopoy . . . . .	
N.C. (E) . . . . .	1

*Note.*—Individuals holding war substantive rank or who are re-enrolled in a lower rank and immediately granted a higher acting rank in authorised vacancies will be permitted to subscribe at the rate appropriate to their war substantive or acting rank.

On substantive promotion the necessary alteration will be made in the subscriptions commencing with the first month during the whole of which the increased pay is drawn. Apart from the alteration necessitated by substantive promotion, a subscriber may make a change in the rate of his subscription once a year only, namely in the pay accounts for March of each year.

New entrants to the Fund will become subscribers with effect from the first day of a month for which full pay is drawn after an application is submitted to join the Fund and the subscriber has received an intimation from the Accounts Officer that he has been admitted to the Fund.

(iii) Subscriptions above these minima shall be optional. The maximum subscription shall be three times the minimum.

(iv) Subject to the above minima and maxima, the amount to be subscribed shall be fixed by the subscriber himself and must be a complete number of rupees.

5. Subscriptions will ordinarily be realised by debiting the individual's accounts maintained on IRLA system. In cases, however, where the accounts are not maintained on IRLA system, the recovery will be effected by deduction from pay by the Accounts Officer disbursing the pay and allowances of the individual.

**6. Interest on Subscriptions.**—Interest at the rate for the time being allowed on subscriptions to the General Provident Fund shall be credited by Government, as from the 31st March of each year, to the account of each subscriber to the Fund, subject to the following conditions:—

(i) Interest for 12 months shall be credited on the amount at the credit of the subscriber on the 31st March of the preceding year, less any advance taken during the year.

(ii) Interest shall be credited for each month of the year upon the sum by which the minimum amount at the credit of the subscriber between the close of the fourth day and the end of the month, exceeds the amount on which interest is credited under clause (i) above. For the purpose of this rule a subscription paid by deduction from emoluments shall be treated as having been deposited in the Fund on the first day of the month in which payment is actually made.

(iii) The total amount of interest credited to a subscriber's account as from 31st March in any year shall be rounded off to the nearest rupee.

(iv) Before the amount at a subscriber's credit in the Fund is finally paid his account shall be credited with interest up to the end of the month preceding that in which the payment is made, or up to the end of the sixth month after the end of the month in which he quitted the service or died, whichever of these periods be less.

(v) The rate of interest shall be liable to revision on the 1st April of each year without notice.

(vi) Muhammadan subscribers who do not desire to receive interest on their deposits shall not be given interest, but if they subsequently ask for interest it shall be given with effect from 1st April of the year in which such request is made.

**7. Advances from the fund.**—(1) Subject to the conditions specified in sub-rule (2), a temporary advance may be granted to a subscriber from the amount standing to his credit in the fund at the discretion of:—

(i) the Captain, R.I.N. Barracks, Bombay, Commodore-in-Charge, Cochin, and the Naval Officer-in-Charge, Vizagapatam, in the case of Ratings of the R.I.N.

(ii) the Sub Area Commander or an officer of the rank of Brigadier, in the case of Junior Commissioned Officers and Hony. Commissioned Officers,

(iii) the Air Officer Commanding Group or an officer of Air Rank, in the case of Master Warrant Officers of the R.I.A.F., and

(iv) the Commanding Officer or not below the rank of Lieut.-Colonel/Wing Commander (or an officer of that rank if the Commanding Officer is himself below that rank), in the case of Other Ranks/Airmen.

(2) No advance shall be granted unless the sanctioning authority is satisfied that the applicant's pecuniary circumstances justify it and that it will be expended on the following object or objects:—

(a) to pay expenses incurred in connection with the prolonged illness of the applicant or any person actually dependent on him;

(b) to pay for the overseas passage for reasons of health or education of the applicant or any person actually dependent on him;

(c) to pay obligatory expenses on a scale appropriate to the applicant's status in connection with marriages, funerals or ceremonies which by his religion it is incumbent on him to perform.

(d) The sanctioning authority shall record in writing its reasons for granting the advance.

(e) An advance shall not except for special reasons—

(i) exceed three months pay or half the amount at the credit of the subscriber in the Fund, whichever is less; or

(ii) unless the amount already advanced does not exceed two thirds of the amount admissible under clause (i), be granted until at least 12 months after the final repayment of all previous advances together with interest thereon. This provision may, however, be relaxed at the discretion of the sanctioning authority.

(f) In fixing the amount of an advance the sanctioning authority shall pay due regard to the amount at the credit of the subscriber in the fund.

(3) An advance shall be recovered in such number of equal monthly instalments, not being less than 12 nor more than 24, as the sanctioning authority may prescribe. A subscriber may, however, at his option, make repayment in a smaller number of instalments than that prescribed. Each instalment shall be a complete number of rupees, the amount of the advance being raised or reduced, if necessary, to admit of such instalment being fixed.

(4) Recovery shall be made in the manner provided in Rule 5 for the realisation of subscriptions, and shall commence on the first occasion after the advance is made on which the subscriber draws pay for a full month. It shall not be made while the individual is on leave or in receipt of subsistence grant, and it may be postponed by the sanctioning authority during the recovery of an advance granted to an individual otherwise than from the Fund.

(5) If at any time under sub-rule (2) (c) (ii) of this rule an advance has been made to a subscriber before one previously made has been completely recovered each advance shall be treated separately for the purpose of recovery.

(6) (a) After the principal of the advance has been fully repaid interest shall be paid thereon at the rate of one fifth per cent. of the principal for each month or broken portion of a month during the period between the drawal and complete repayment of the principal.

Provided that Muhammadan subscribers whose deposit in the Fund carry no interest shall not be required to pay into the Fund any additional instalments on account of interest on advances granted to them from the Fund.

(b) Interest shall ordinarily be recovered in one instalment in the month after complete repayment of the principal but if the period referred to in clause (a) exceeds twenty months, interest may, if the subscriber so desires, be recovered in two equal monthly instalments. The method of recovery shall be that prescribed in sub-rule (4). The total amount of interest shall be rounded to the nearest whole rupee (eight annas counting at the next higher rupee).

(7) Recoveries shall be credited as they are made to the subscriber's account in the Fund; the date of credit being determined, for the purpose of calculating interest, by the procedure prescribed in Rule 6 (ii) above.

**8. Nominations.**—(a) A subscriber shall, as soon as may be after joining the Fund, send to the Accounts Officer, a nomination conferring on one or more persons the right to receive the amount that may stand to his credit in the Fund, in the event of his death before that amount has become payable, or having become payable, has not been paid:

Provided that if, at the time of making the nomination the subscriber has a family, the nomination shall not be in favour of any person or persons other than the members of his family.

(b) If a subscriber nominates more than one person under sub-rule (a), he shall specify in the nomination the amount or share payable to each of the nominees in such manner as to cover the whole of the amount that may stand to his credit in the Fund at any time.

(c) Every nomination shall be in such one of the Forms set forth in the Schedule as is appropriate in the circumstances.

(d) A subscriber may at any time cancel a nomination by sending a notice in writing to the Accounts Officer;

Provided that the subscriber shall, along with such notice, send a fresh nomination made in accordance with the provisions of Sub-rule (a) to (c) of this rule.

(e) (i) A subscriber may provide in a nomination in respect of any specified nominee that in the even of his predeceasing the subscriber, the right conferred upon that nominee shall pass to such other person as may be specified in the nomination;

(ii) that the nomination shall become invalid in the event of the happening of a contingency, specified therein; provided that if at the time of making the nomination the subscriber has no family, he shall provide in the nomination that it shall become invalid in the event of his subsequently acquiring a family.

(f) (i) Immediately on the death of a nominee in respect of whom no special provision has been made in the nomination under clause (i) of sub-rule (e) or on the occurrence of any event by reason of which the nomination becomes invalid in pursuance of clause (ii) of that sub-rule or the proviso thereto, the subscriber shall send to the Accounts Officer a notice in writing cancelling the nomination, together with a fresh nomination made in accordance with the provisions of the rule.

(ii) Every nomination made and every notice of cancellation given, by a subscriber shall to the extent that it is valid, take effect on the date on which it is received by the Accounts Officer.

(g) A nomination in favour of an adopted child is made at the subscriber's risk and can be challenged at any time. If doubts arise in any individual case, the Accounts Officer will refer the matter to the Adjutant General or the Commander-in-Chief, Royal Indian Navy or the Commander-in-Chief, Royal Indian Air Force, as the case may be, and his opinion shall be final for the purposes of these Rules.

**9. Final withdrawal of accumulations in the Fund.**—(i) When a subscriber quits the service the sum standing at his credit in the Fund shall become his property and shall be handed to him by the Accounts Officer. The procedure for the final payment of deposits is as follows:—

(a) Subscribers will submit their applications direct to the Accounts Officer.

(b) The Accounts Officer will sanction payment of the deposits.

The Accounts Officer may sanction in urgent cases interim payment upto the actual balance standing to a subscriber's credit on the 31st March in the year prior to the subscriber's retirement/discharge, proceeding on leave preparatory to retirement, or being invalided, etc., if delay is anticipated in making payment in full. Any debits in the Accounts subsequent to that date should also be taken into account. The balance will be paid to the subscriber as soon as all particulars as to subsequent subscriptions have been received by the Accounts Officer and requirements of the rules have been satisfied.

Subscribers transferred to the Reserve will be permitted to exercise the option of withdrawing the amounts standing to their credit in the Fund. If recalled to duty individuals who have exercised this option, will be permitted to rejoin the Fund in the same manner and under the same conditions as original subscribers.

(ii) When a subscriber is dismissed from Service the sum at his credit shall be paid to him in the manner prescribed in clause (i) above.

(iii) Where a subscriber becomes insane prior to retirement/discharge or absconds, or if his whereabouts cannot be ascertained, and he is duly declared to have quitted the Service, the sum at his credit in the Fund may, subject to the approval of the Government of India in the Ministry of Defence, be disposed of in accordance with the nomination furnished by the subscriber under Rule 8 subject to the condition that any person to whom payment is made shall execute a bond signed by two sureties to indemnify Government against all claims in respect of the amount in question.

(iv) A subscriber who has been granted leave preparatory to retirement or who while on leave is either permitted to retire or is declared by a medical board to be unfit for further service, may withdraw the amount standing at his credit in the Fund at any time between the commencement of the leave, or the date of such permission, or of such declaration, as the case may be, and the date of actual retirement, subject, however, to the condition that he may be required, should he return to duty at the end of his leave, to repay to the Fund the whole amount withdrawn by him with interest thereon. The Accounts Officer may however sanction, in urgent and special circumstances, interim payment as laid down in clause (i) above, prior to the commencement of a subscriber's leave preparatory to retirement. The Government of India in the Ministry of Defence may, however, order recovery of such amounts in full or in part, in cash and/or in securities and at their discretion by instalments.

(v) On the death of a subscriber before quitting the service—

A. When the subscriber leaves a family—

(a) if a nomination made by the subscriber in accordance with the provisions of Rule 8 above, in favour of a member or members of his family subsists, the amount standing to his credit in the Fund or the part thereof to which the nomination relates shall become payable to his nominees in the proportion specified in the nomination;

(b) if no such nomination in favour of a member or members of the family of the subscriber subsists or if such nomination relates only to a part of the amount standing to his credit in the Fund, the whole amount or the part thereof, to which the nomination does not relate, as the case may be, shall notwithstanding any nomination purporting to be in favour of any person or persons other than a member or members of his family, become payable to the members of his family in equal shares:

Provided that no share shall be payable to—

- (1) sons who have attained legal majority;
- (2) sons of a deceased son who have attained legal majority;
- (3) married daughters whose husbands are alive;
- (4) married daughters of a deceased son whose husbands are alive;

if there is any member of the family other than those specified in clauses (1), (2), (3) and (4):

Provided also that the widow or widows and the child or children of a deceased son shall receive between them in equal parts only the share which that son would have received if he had survived the subscriber.

*Note 1.*—Any sum payable under these rules to a member of the family of a subscriber vests in such member under sub-section (2) of Section 3 of the Provident Funds Act, 1925.

B. When the subscriber leaves no family—if a nomination made by him in accordance with the provisions of Rule 8 above in favour of any person or persons subsists, the amount standing to his credit in the Fund or the part thereof to which the nomination relates, shall become payable to his nominee or nominees in the proportion specified in the nomination.\*

*Note 2.*—When a nominee is a dependent of the subscriber as defined in clause (c) of section 2 of the Provident Funds Act, 1925, the amount vests in such nominee under sub-section (2) of section 3 of that Act.

*Note 3.*—When the subscriber leaves no family and no nomination made by him in accordance with the provisions of Rule 8 above subsists, or if such nomination relates only to part of the amount standing to his credit in the Fund, the relevant provisions of clause (b) and of sub-clause (ii) of clause (c) of sub-section (1) of section 4 of the Provident Funds Act, 1925, are applicable to the whole amount or the part thereof to which the nomination does not relate.

**10. Procedure.**—(i) All sums paid into the Fund under these Rules shall be credited in the books of the Government of India to an account named "The Armed Forces Personnel Provident Fund". Sums not claimed for a period exceeding six months after the subscriber has died or quitted the service shall be transferred to "Deposits" at the end of the year, and treated under the ordinary rules relating to deposits.

(ii) The Accounts Officer as defined in Rule 2 will be responsible for the payment of advances and final withdrawals, or, when these are required to be paid out of India for arrangements for their payment.

(iii) When paying a subscription in India, either by deduction from emoluments or in cash, the subscriber shall quote the number of his account, which shall be communicated to him by the Accounts Officer, and shall remain unaltered until a change is intimated by the Accounts Officer.

(iv) (a) As soon as possible after the close of each year, every subscriber shall be supplied with statement of his account in the fund. Every such statement shall show the opening balance, as on 1st April of the year; all amounts credited or withdrawn during the year; the amount of interest credited as on the 31st March of the year, and the closing balance as on that date.

(b) Subscribers are required to satisfy themselves as to the correctness of the annual statements, and errors should be brought to the notice of the Accounts Officer within six months from the date of receipt of a statement.

### SCHEDULE

#### FORM OF NOMINATION (RULE 8)

##### I. When the subscriber has a family and wishes to nominate one member thereof.

I hereby nominate the person mentioned below, who is a member of my family as defined in rule 2 of the Armed Forces Personnel Provident Fund Rules, to receive the amount that may stand to my credit in the Fund, in the event of my death before that amount has become payable, or having become payable has not been paid:—

Name and Address of nominee	Relationship with subscriber	Age	Contingencies on the happening of which the nomination shall become invalid	Name, address and relationship of the person, if any to whom the right of the nominee shall pass in the event of his predeceasing the subscriber.
1	2	3	4	5

Dated this

day of

19

at

Signature of subscriber.

Two witnesses to signature.

1.

2.

##### II. When the subscriber has a family and wishes to nominate more than one member thereof.

I hereby nominate the persons mentioned below, who are members of my family as defined in rule 2 of the Armed Forces Personnel Provident Fund Rules, to receive the amount that may stand to my credit in the Fund, in the event of my death before that amount has become payable, or having become



payable has not been paid, and direct that the said amount shall be distributed among the said persons in the manner shown below against their names.

Name and address of nominees	Relationship with subscriber	Age	*Amount or share of accumulations to be paid to each	Contingencies on the happening of which the nomination shall become invalid	Name, address and relationship of the person, if any to whom the right of the nominee shall pass in the event of his predeceasing the subscriber
1	2	3	4	5	6

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_, at \_\_\_\_\_  
Signature of subscriber,

Two witnesses to signature.

- 1.
- 2.

### III. When the subscriber has no family and wishes to nominate one person.

I, having no family as defined in rule 2 of the Armed Forces Personnel Provident Fund Rules, hereby nominate the person mentioned below to receive the amount that may stand to my credit in the Fund in the event of my death before that amount has become payable, or having become payable has not been paid:—

Name and address of nominee	Relationship with subscriber	Age	†Contingencies on the happening of which the nomination shall become invalid	Name, address and relationship of the person, if any, to whom the right of the nominee shall pass in the event of his predeceasing the subscriber
1	2	3	4	5

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_, at \_\_\_\_\_  
Signature of subscriber,

Two witnesses to signature.

- 1.
- 2.

### IV. When the subscriber has no family and wishes to nominate more than one person.

I, having no family as defined in rule 2 of the Armed Forces Personnel Provident Fund Rules, hereby nominate the persons mentioned below to receive the amount that may stand to my credit in the Fund, in the event of my death before that amount has become payable, or having become payable

\* Note.—This column should be filled in so as to cover the whole amount that may stand to the credit of the subscriber in the Fund at any time.

† Note.—When a subscriber who has no family makes a nomination, he shall specify in this column that the Nomination shall become invalid in the event of his subsequently acquiring a family.

has not been paid, and direct that the said amount shall be distributed among the said persons in the manner shown below against their names:—

Name and address of nominees	Relationship with subscriber	Age	*Amount or share of accumulations to be paid to each	†Contingencies on the happening of which the nomination shall become invalid	Name, address and relationship of the person, if any to whom the right of the nominee shall pass in the event of his predeceasing the subscriber
1	2	3	4	5	6

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_, at \_\_\_\_\_

Signature of subscriber.

Two witnesses to signature.

- 1.
- 2.

\* Note.—This column should be filled in so as to cover the whole amount that may stand to the credit of the subscriber in the Fund at any time.

† Note.—Where a subscriber who has no family makes a nomination, he shall specify in this column that the nomination shall become invalid in the event of his subsequently acquiring a family.

H. M. PATEL, Secy.